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CONFEREES REJECT NERVE GAS FUNDS

Action Comes as They Agree
on Military Spending Bill
of About \$249 Billion

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WASHINGTON, Nov. 17 — Congressional conferees today rejected the Reagan Administration's plan to resume production of nerve gas and other chemical weapons but cleared the way to begin testing an antisatellite weapon.

The action came as delegates from both houses reconciled differences in the military appropriation bill for the fiscal year that began Oct. 1, agreeing to an appropriation of about \$249 billion. Staff members were to total the exact amount.

The appropriation measure would provide the Reagan Administration with about a 5 percent increase in military spending, against the 10 percent President Reagan requested. As the measure was considered by Congress, the President compromised at an increase of about 7.5 percent.

As they entered the conference, which was a closed meeting, the House version of the bill called for \$247 billion while the Senate measure sought \$252.5 billion. But the compromise did not include about \$1.8 billion in raises for the armed forces, which was in the Senate version. That will be left for a supplemental bill, according to members of the conference.

Covert Aid Continued

The conferees agreed to continue covert aid to paramilitary forces fighting against the leftist Sandinista Government in Nicaragua. The Democratic-controlled House had wanted the aid eliminated while the Republican-controlled Senate favored continuing the aid.

The compromise measure must be submitted for a final vote to both houses. It can not be amended on the floor. It is expected to pass before Congress adjourns Friday night until after the new year.

The bill would then go to Mr. Reagan. The Administration's original request, submitted to Congress last January, called for an appropriation of \$260.9 billion. The military services are currently operating with temporary financing under what is known as a Congressional continuing resolution.

The Battle Over Nerve Gases

The elimination of funds for production of chemical weapons thus appeared to end for this year another chapter in a struggle that began in 1973 when the Army first proposed production of new nerve gases that would mix to become fatal after a projectile was on the way to the target. They would replace the existing stocks of chemical weapons that would be fatal if employed in their present form. This year, the House voted against the chemical weapons while the Senate approved the measure when Vice President Bush broke a tie vote.

The decision against chemical weapons, for which the Defense Department and the Reagan Administration had vigorously lobbied, involved a relatively small amount of money, \$124.4 million. It would have financed the production of 155-millimeter artillery shells containing nerve gas, components of the gas and production facilities.

The chemical weapons requested contain two chemicals that remain harmless so long as they are separated. When mixed in the flight of a shell or bomb, they combine to produce a lethal nerve gas.

Position of the Army

The Army has long argued that the new binary chemical weapons would be safer than the older weapons currently in storage. The Army and the Administration, moreover, contended that having the new weapons in the United States arsenal would induce the Soviet Union to enter negotiations to ban chemical weapons or would act as a deterrent if hostilities begin.

But opponents of the weapons countered with the contention that production of the chemical weapons would only open a new phase in the arms race and would eventually add about \$4 billion to the military bill. They also argued that the Soviet Union, which has been accused of using chemical weapons in Afghanistan and Southeast Asia, could be deterred with other weapons.

The action taken today, however, does not stop research and development of the binary chemical weapons and the issue seemed likely to be revived against next year.

Plan for Defense Missile

The testing of the antisatellite weapon, a conventional missile lofted into space from an F-15 fighter plane, was scheduled to begin within the next few months. The conference committee approved \$19.4 million, following the lead of the Senate.

The money would be held, however, until the President submitted a report to Congress next March on his plans to negotiate an agreement not to expand the arms race into space. The money may be spent 45 days after the report has been submitted.

The Soviet Union has begun an antisatellite program that most American military experts consider to be rudimentary. But they have reported that the Soviets recently put up a satellite believed to be a target for an antisatellite weapon, which has not yet fired at it.